Already Risky Pipeline Worse Deal if Oil is Exported and Gas Prices Rise, Says Welch

Dozens of House Democrats, led by Reps. Peter Welch (D-Vt.), Ed Markey (D-Mass.) and Steve Cohen (D-Tenn.), today challenged the U.S. State Department on whether the national interest is served if the proposed Canada-to-Gulf Coast Keystone XL pipeline results in exported oil and higher gas prices. In a letter to Secretary of State Hillary Rodham Clinton, the House Democrats ask that her department ensure that any oil or refined product obtained from the risky pipeline remain available for sale within the United States.

TransCanada, the proposed pipeline’s operator, already has entered into long-term sales contracts with other multinational oil companies that plan to re-export oil transported through the Keystone XL pipeline. Not only does that mean the benefits of the oil will not be realized here in the United States, but that gas prices are expected to rise, especially in the Midwest, because of higher prices for Canadian tar sands oil.

“We do not believe that turning the United States into a middleman for exports of Canadian tar sands oil in order to increase the profits of a few oil companies is in the national interest of the United States, particularly given the project’s likely adverse environmental impacts, threats to water supplies for farmers, and potential impacts to Indian lands,” write Welch, Markey, Cohen and 36 other House Democrats.

“The Keystone XL pipeline will not, as its proponents claim, reduce imports of foreign oil from Venezuela or the Middle East if the final destination of Keystone XL crude oil is the global market. We urge you ensure that the approval of this project, if it occurs, requires the oil and refined product the pipeline transports to be sold in the United States. Anything less would certainly not be in the national interest,” conclude Welch and his colleagues.

The full letter is available HERE .